

**EXCERPTS FROM THE MINUTES OF A SPECIAL MEETING OF
THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA**

The City Council of the City of Gulf Shores met in special public session at City Hall in the City of Gulf Shores, Alabama, at 5:00 p.m. on the 30th day of March, 2009.

The meeting was called to order by the Mayor Pro Tempore, and the roll was called with the following results:

Present: Carolyn Doughty, Mayor Pro Tempore
Joe Garris
Philip Harris
Jason Dyken
Stephen Jones

Absent: Robert Craft, Mayor

The Mayor Pro Tempore thereupon stated that a quorum was present and that the meeting was open for the transaction of business. The Mayor Pro Tempore stated that a copy of a Notice of Meeting and a copy of a Waiver of Notice of Meeting, waiving any and all irregularities, if any, in said notice, and any other or further notice of this meeting, on motion duly made, seconded, and unanimously adopted, were ordered inserted in the minutes of this meeting at the end thereof. A copy of said Notice of Meeting was posted at City Hall, the United States Post Office and the Public Library and such Notice of Meeting remained posted for at least three days prior to the meeting.

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The Mayor Pro Tempore noted that it was appropriate for the Council to consider the approval of an Amended and Restated Lease and Development Agreement and an Amended and Restated Repurchase and Sale Agreement, both by and among the City, Colonial Realty Limited Partnership ("Colonial") and Langley-Colonial, LLC ("Langley"). The Mayor Pro Tempore further noted that the City Council would also consider an Ingress and Egress Easement Agreement by and among the City, Colonial and Gulf Shores CY Hotel Associates, LLC, a Marriott Easement Indemnity Agreement by and between the City and Colonial and an Amended and Restated Agreement of Ground Lessor by and among the City, Langley and National City Bank. The Mayor Pro Tempore then generally described the nature of the aforementioned agreements. The Mayor Pro Tempore noted that, along with the members of the Finance Committee, Mr. Ken Marshall of Colonial and Mr. Paul Woodall of Walston, Wells & Birchall, LLP had prepared or assisted in the preparation of the proposed amendments that would be considered tonight and that both were available to answer questions. After discussion of the aforementioned agreements, Councilmember Jones moved for unanimous consent of the Council to suspend the rules of procedure to allow for the immediate consideration of the following Ordinance:

ORDINANCE NO. 1540

**AN ORDINANCE AUTHORIZING DOCUMENTS
RELATED TO THE COLONIAL PINNACLE PROJECT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES,
ALABAMA, as follows:

SECTION 1. Approval of Expenditure of Public Funds.

The City, at its public hearing on February 23, 2009 and in accordance with Alabama Constitutional Amendment No. 750, has heretofore found and determined that the proposed expenditure of public funds for the purposes described in the Amended and Restated Lease and Development Agreement by and among the City, Colonial Realty Limited Partnership ("Colonial") and Langley-Colonial, LLC ("Langley") (the "Lease Agreement") and the Amended and Restated Repurchase and Sale Agreement by and among the City, Colonial and Langley (the "Repurchase and Sale Agreement"), will serve a valid and sufficient public purpose, notwithstanding any incidental benefits accruing to Colonial, Langley, Publix or any other private party. The public benefits sought to be achieved by the adoption of the Lease Agreement, Repurchase and Sale Agreement, an Ingress and Egress Easement Agreement by and among the City, Colonial and Gulf Shores CY Hotel Associates, LLC (the "Easement Agreement"), a Marriott Easement Indemnity Agreement by and between the City and Colonial (the "Indemnity Agreement") and an Amended and Restated Agreement of Ground Lessor by and among the City, Langley and National City Bank (the "Ground Lessor Agreement") are expected to include without limitation (i) the construction of a new Publix Store and additional retail space on the proposed Publix shopping center site, and (ii) the enhancement of Langley's ability to attract new tenants to the existing Pelican Place at Craft Farms shopping center, all of which will increase sales tax revenue to and increase employment opportunities within the City. The City hereby confirms its prior conclusion that the proposed expenditure of public funds for the purposes described in the above noted documents will serve a valid and sufficient public purpose notwithstanding any incidental benefits to Colonial, Langley, Publix or any other private party.

SECTION 2. Approval of Lease Agreement.

The City hereby authorizes, adopts and approves the Lease Agreement in substantially the form and of substantially the content as the form of the Lease Agreement presented to and considered at this meeting (a copy of which has been ordered filed in the permanent records of the City in the custody of the City Clerk) with such changes and additions thereto and deletions therefrom as the Mayor Pro Tempore shall approve, which approval shall be evidenced by her executing the Lease Agreement, and the Mayor Pro Tempore is hereby authorized and directed, in the name and on behalf of the City, to execute, acknowledge and deliver said Lease Agreement, and the City Clerk is hereby authorized and directed to affix to the Lease Agreement the seal of the City and to attest the same.

SECTION 3. Approval of Repurchase and Sale Agreement.

The City hereby authorizes, adopts and approves the Repurchase and Sale Agreement in substantially the form and of substantially the content as the form of the Repurchase and Sale Agreement presented to and considered at this meeting (a copy of which has been ordered filed in the permanent records of the City in the custody of the City Clerk) with such changes and additions thereto and deletions therefrom as the Mayor Pro Tempore shall approve, which approval shall be evidenced by her executing the Repurchase and Sale Agreement, and the Mayor Pro Tempore is hereby authorized and directed, in the name and on behalf of the City, to execute, acknowledge and deliver said Repurchase and Sale Agreement, and the City Clerk is hereby authorized and directed to affix to the Repurchase and Sale Agreement the seal of the City and to attest the same.

SECTION 4. Approval of Easement Agreement.

The City hereby authorizes, adopts and approves the Easement Agreement in substantially the form and of substantially the content as the form of the Easement Agreement presented to and considered at this meeting (a copy of which has been ordered filed in the permanent records of the City in the custody of the City Clerk) with such changes and additions thereto and deletions therefrom as the Mayor Pro Tempore shall approve, which approval shall be evidenced by her executing the Easement Agreement, and the Mayor Pro Tempore is hereby authorized and directed, in the name and on behalf of the City, to execute, acknowledge and deliver said Easement Agreement, and the City Clerk is hereby authorized and directed to affix to the Easement Agreement the seal of the City and to attest the same.

SECTION 5. Approval of Indemnity Agreement.

The City hereby authorizes, adopts and approves the Indemnity Agreement in substantially the form and of substantially the content as the form of the Indemnity Agreement presented to and considered at this meeting (a copy of which has been ordered filed in the permanent records of the City in the custody of the City Clerk) with such changes and additions thereto and deletions therefrom as the Mayor Pro Tempore shall approve, which approval shall be evidenced by her executing the Indemnity Agreement, and the Mayor Pro Tempore is hereby authorized and directed, in the name and on behalf of the City, to execute, acknowledge and deliver said Indemnity Agreement, and the City Clerk is hereby authorized and directed to affix to the Indemnity Agreement the seal of the City and to attest the same.

SECTION 6. Approval of Ground Lessor Agreement.

The City hereby authorizes Walston, Wells & Birchall, LLP, and the Finance Committee to negotiate and finalize an Amended and Restated Agreement of Ground Lessor in order to conform the existing Agreement of Ground Lessor dated July 18, 2007, by and among the City, Langley and National City Bank, to the transactions described in the Lease Agreement and the Repurchase and Sale Agreement. The Mayor Pro Tempore is hereby authorized and directed, in the name and on behalf of the City, to execute, acknowledge and deliver said Amended and Restated Agreement of Ground Lessor, and the City Clerk is hereby authorized and directed to affix to the Amended and Restated Agreement of Ground Lessor the seal of the City and to attest the same.

SECTION 7. Public Inspection of Agreements.

Copies of the Lease Agreement, Repurchase and Sale Agreement, Easement Agreement and Marriott Agreement shall remain available for public inspection at the City Clerk's office during the required five day posting period described in Section 8 below.

SECTION 8. Five Day Posting Period.

This ordinance shall be posted at City Hall, the United States Post Office and the Public Library, and shall remain so posted for not less than five days. This ordinance shall also be published in *The Islander*. This ordinance shall become effective immediately upon the completion of such five day posting period or upon the publication in *The Islander*, whichever shall occur first.

Adopted this the 30th day of March, 2009.

Carolyn M. Doughty Mayor Pro Tempore

CITY SEAL

Attest _____
Renee F. Moore, MMC, City Clerk

The motion for unanimous consent was seconded by Councilmember Garris and upon the question, the vote thereon was as follows:

Ayes: Joe Garris
 Carolyn Doughty
 Philip Harris
 Jason Dyken
 Stephen Jones

Nays: None

The Mayor Pro Tempore declared the motion carried and the rules suspended.

After said ordinance had been discussed and considered in full by the Council, Councilmember Jones then moved for the adoption of Ordinance No. 1540 and to waive the reading of said ordinance at length. The motion was seconded by Councilmember Garris. The motion was regularly put and, upon roll call, the vote thereon was as follows:

Ayes: Joe Garris
 Carolyn Doughty
 Philip Harris
 Jason Dyken
 Stephen Jones

Nays: None

The Mayor Pro Tempore thereupon declared said motion carried and the ordinance passed and adopted as introduced and read.

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

STATE OF ALABAMA)

BALDWIN COUNTY)

CERTIFICATE OF CITY CLERK

I, Renee F. Moore, do hereby certify that I am the duly elected, qualified and acting Clerk of the City of Gulf Shores, Alabama. I do further certify that as Clerk of the City I have access to all original records of the City and I am duly authorized to make certified copies of its records on its behalf; the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a meeting of the City Council of the City duly held on the 30th day of March, 2009, the original of which is on file and of record in the minute book of the City Council in my custody; the ordinance set forth in such excerpts is a complete, verbatim and compared copy of said ordinance as introduced and adopted by the City Council on such date; and said ordinance is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the City and have affixed the official seal of the City, this 30th day of March, 2009.

CITY SEAL

Clerk of the City of Gulf Shores, Alabama